

MINUTES  
OF THE MEETING OF  
THE EXECUTIVE COMMITTEE  
STATE EMPLOYEES' RETIREMENT SYSTEM OF ILLINOIS  
January 8, 2015

A meeting of the Executive Committee of the State Employees' Retirement System of Illinois was held on Thursday, January 8, 2015 at 8:30 a.m. in the System's Springfield office at 2101 S. Veterans Parkway.

Committee Members Present:

Loren Iglarsh, Chairperson  
Lori Laidlaw, Vice Chairperson  
Timothy Blair, Executive Secretary

Others Present:

Emily Reid-Peterson, Attorney  
Kathy Yemm, Claims Manager  
Don Williams, Supervisor, Disability Section  
Kerry Walker, Disability Section  
Michael Noblet, Supervisor, Pension & Death Section  
Cory Mitchelle, Pension and Death Section  
Joseph Maggio, Manager, Service and Refunds Division  
Jeff Houch, Assistant to Secretary  
Jennifer Staley, Recording Secretary

Minutes of the Previous Meeting

The minutes of the December 11, 2014 meeting of the Executive Committee were presented by Chairman Iglarsh for approval. Copies of the minutes were previously mailed to Committee members for review. There being no additions or corrections, on motion by Executive Secretary Blair and seconded by Vice Chairperson Laidlaw, and by unanimous vote, the minutes were approved as submitted.

Routine Claims & Denial Report

The Routine Claims and Denials Report for the month of December, 2014 was presented. Following review and discussion, the Routine Claims and Denials Report for the period of December, 2014, as prepared by staff, was reviewed by the Executive Committee. There being no additions or corrections, on motion by Executive Secretary Blair and seconded by Vice Chairperson Laidlaw, and by unanimous vote, the Routine Claims and Denials Report was approved as submitted.

## Old Business

### John Hartnett – Level Income – RTW

John Hartnett originally retired May 1, 2003 electing the level income option and subsequently returned to work September 4, 2012. Upon his return, SERS refunded his ERI contributions and adjusted his service credit. Mr. Hartnett is currently working and is contemplating retiring again.

The Pension Section is seeking advice as to whether his “second” retirement would be calculated using the level income option since his “first” retirement was based on Mr. Hartnett selecting a level income option. Attorney Bochenek previously advised the Committee that the Pension Code was silent on this question, but that there were difficulties in continuing with the initial election.

At the May Executive Committee meeting, Steve Bochenek, SERS’ attorney, recommended working up figures on different scenarios to propose to Mr. Hartnett and the Committee deferred the case.

At the January 8, 2015 meeting, after discussing the case, Chairman Iglarsh made a motion for removal of level income upon re-retirement, providing Mr. Hartnett pays back the additional monies received pursuant to the level income option prior to his retirement, seconded by Vice Chairperson Laidlaw. All were in favor.

### Cathy Formigoni - Vouchering - Repayment of Funds – Recommendation

Cathy Formigoni withdrew her funds from SERS under the Alternative Retirement Cancellation Payment (ARCP) buyout in 2004. The total ARCP distribution paid was \$52,704.24. Ms. Formigoni returned to permanent employment with the Office of the Attorney General effective October 1, 2014.

Ms. Formigoni was notified of the legislative 60 day repayment requirement on October 2, 2014. On November 13, 2014 SERS received a written response from Ms. Formigoni explaining she was unable to meet the 60 day repayment requirement. Included in her written response was a requested installment repayment amount of \$439.20 or \$219.60 per pay period to extend over a ten year period.

On November 14, 2014 Ms. Formigoni spoke with the SERS ARCP repayment specialist, Jennifer Paoni. Ms. Formigoni clarified she no longer had the ARCP funds available for a lump sum repayment. Ms. Paoni discussed that due to the size of the ARCP payout, the maximum repayment plan would be 5 years (60 months). The monthly repayment of \$878.40, or \$439.20 per pay period, would be required.

Ms. Formigoni indicated the 5 year repayment plan would make it impossible for her to meet her financial obligations and requested an opportunity to appeal for an extension as outlined in her November 13, 2014 letter.

Ms. Formigoni was present at the December 11, 2014 meeting to explain why she didn’t feel she could make the payments over a 5 year period and meet her financial obligations.

The Committee referred this matter to the System's attorney for a recommendation for the January meeting.

At the January 8, 2015 meeting Attorney Reid-Peterson presented a recommendation, No.2015-01. The Committee recommends that the appeal of the Petitioner, Cathy S. Formigoni, be denied. Motion to approve was made by Vice Chairperson Laidlaw, seconded by Chairman Iglarsh. All were in favor.

#### Vickie Wade - Pension - Recommendation

Vickie Wade was originally on nonoccupational disability and forfeited her disability March 31, 2008 to begin receiving her pension effective April 1, 2008. On her retirement application she listed her 21 year old son as a dependent child and therefore was not issued a widow/survivor refund.

Ms. Wade had heard from another state worker about a widow/survivor refund and was present at the December 11, 2014 Executive Committee meeting to explain to the Committee her situation and inquire if she could be eligible for this refund also if she would have stayed on disability and retired later. The Committee discussed her options and discovered that in the long run Ms. Wade came out ahead receiving the higher amount of her pension (due to the election of the level income option) than had she stayed on disability past the date her son turned 22 and then gone on a pension. Due to the election of the level income option at retirement, her benefit will be reduced by the estimated Social Security amount at age 62.

After further discussion, the Committee recommended referring Ms. Wade's case to SERS' attorney for a recommendation.

At the January 8, 2015 meeting Attorney Reid-Peterson presented a recommendation, No.2015-02. The Committee recommends that the appeal of the Petitioner, Vickie Wade, be denied and that Petitioner is not entitled to a refund of her widow/survivor contributions. Motion to approve was made by Vice Chairperson Laidlaw, seconded by Executive Secretary Blair. All were in favor.

#### New Business

##### James Provenzano – Disability – Requesting Occupational Benefits

James Provenzano is a Highway Maintainer for the Illinois Department of Transportation. Mr. Provenzano was paid workers' compensation temporary total disability (TTD) from November 1, 2005 through August 22, 2012. Mr. Provenzano received 2 different awards for TTD through the Illinois Workers' Compensation Commission (IWCC). He returned to work full duty August 23, 2012. He settled this workers' compensation claim for 12.5% MAW = \$36,547.00

First IWCC decision of December 4, 2007 awarded TTD from November 8, 2005 through January 18, 2006; from January 27, 2006 through February 9, 2006; and from February 21, 2006 through December 5, 2006. The second IWCC Decision was reviewed and finalized

June 3, 2010 ordering TTD benefits from December 7, 2006 through August 12, 2008 and continuing.

Mr. Provenzano received occupational disability benefits through SERS from November 16, 2005 through January 18, 2006. Mr. Provenzano had requested occupational disability from the time periods of January 27, 2006 through February 9, 2006 and February 21, 2006 through August 22, 2012 and was denied by SERS.

Dr. Agatuggi reviewed Mr. Provenzano's file on 3 occasions; February 7, 2011, March 3, 2011, and March 30, 2011, each time opining disability impairment had not been established.

On May 12, 2011 Mr. Provenzano's appeal was denied by the Executive Committee based on Dr. Agatucci's opinion.

Dr. Terry, the treating doctor, was concerned about his condition and performed surgery on January 10, 2012.

James Provenzano was able to return to work on August 22, 2012. Mr. Provenzano is requesting occupational benefits for the time he was paid workers' compensation.

After discussing the facts of the case, Chairman Iglarsh made a motion to approve the request for occupational disability benefits to Mr. Provenzano, seconded by Vice Chairperson Laidlaw. All were in favor.

#### Steve Spina – Occupational Disability – 12 Month Rule

Steve Spina works as a highway maintainer for the Department of Transportation, District 1. He had last worked on October 16, 2009. He began a service connected leave of absence on October 24, 2009 due to an umbilical hernia which occurred while he was working. Mr. Spina returned to work on November 24, 2009.

Mr. Spina has requested a written appeal to the Executive Committee so that the 12 month filing limitation can be waived. He was paid TTD for this time period.

After some discussion, Chairman Iglarsh moved for approval of the appeal of the 12 month filing limitation, seconded by Executive Secretary Blair. All were in favor.

#### John Kremitzki – Occupational Disability – 12 Month Rule

John Kremitzki worked as a building and grounds maintenance worker for the State of Illinois Department of Military Affairs. He stopped working on June 23, 2011 and began a medical leave of absence on June 24, 2011 due to pain in his right arm, hand, and fingers as a result of a cervical injury that took place at work on October 27, 2010. He has never returned to work.

Though this member is entitled to occupational benefits since the time he was placed on TTD benefits through the IWCC, he states that he was unaware of his rights and would like the Executive Committee to waive the 12 month filing limitation. A disability packet was

given to him on October 29, 2014 and his application was received on December 12, 2014. His agency notified SERS of his disability on December 22, 2014.

John Kremitzki is appealing the denial of his disability benefits. He is requesting that the 12 month rule be waived.

After some discussion, a motion was made by Executive Secretary Blair to approve Mr. Kremitzki's appeal of the denial of his disability benefits, seconded by Vice Chairperson Laidlaw. All were in favor.

#### Daniel Breit – Pension – Repayment of Pension Payment

Mr. Breit retired effective January 1, 2003 under the provisions of the Early Retirement Incentive. He returned to work on December 16, 2003 at which time his pension was suspended and his active account with SERS was reinstated. He was sent a letter dated January 14, 2004 advising him that he could repay his pension within 5 years and have his new pension recomputed as if he had never retired. Mr. Breit advises that he was not aware of the 5 year requirement and never received the January 14, 2004 letter because it did not have his apartment number. There is no record in the imaged correspondence that the January 14, 2004 letter was returned.

Mr. Breit called to request to repay the pension which was denied and included in the routine claims and denial report for the December 11, 2014 meeting. He is now asking the Committee to approve an exception to allow him to repay his pension, even though he is beyond the five year limitation in 40 ILCS 14-111. His estimated monthly pension as of December 31, 2014 without the repayment is \$2,372.65 and with the repayment is \$2,774.34. This is an increase of \$401.69.

After some discussion, Chairman Iglarsh made a motion for approval of the request of Daniel Breit to repay his pension (in a lump sum), seconded by Vice Chairperson Laidlaw. All were in favor.

#### Walter Rasmussen – Death Benefit Waiver by son, Robert Rasmussen

Walter C. Rasmussen died on October 14, 2014. He was retired and receiving a monthly retirement annuity. He has collected in excess of his contributions and interest; therefore, a one-time payment of \$500.00 is due to his named beneficiaries. His wife was his primary beneficiary but predeceased him on July 14, 1998.

One of his two sons, Robert Rasmussen, has filed a duly executed waiver of the death benefit. The total \$500.00 will be paid to Garry G. Rasmussen if this waiver is approved.

After reviewing the case, a motion was made by Executive Secretary Blair to approve the waiver of death benefits of Robert Rasmussen, allowing the payment to Garry G. Rasmussen. The motion was seconded by Chairman Iglarsh. All were in favor.

#### Elizabeth McCormick – Pension – Wants to Purchase 1 Day

Elizabeth McCormick retired reciprocally with IMRF effective August, 2013.

While SERS was reviewing the cost of living increases for 2015, it was discovered that Ms. McCormick was .25 month short from meeting the Rule of 85. Due to this, her pension was backed up to an effective date of September, 2013 and created an overpayment for the month of August, 2013 in the amount of \$2,579.11.

Ms. McCormick is requesting to be allowed to purchase 1 day from her paid sick and vacation days after the 90 day limitation so her pension will still be effective August 1, 2013 and she will no longer have an overpayment from SERS and IMRF.

After some discussion, Vice Chairperson Laidlaw motioned to approve Ms. McCormick's request to purchase the 1 day to allow her pension effective August, 2013, seconded by Executive Secretary Blair. All were in favor.

#### Fred Williams – Pension – Wants Alternative Formula

Fred Williams resigned from the Department of Corrections on October 17, 2014 with a pension effective date of November 1, 2014. He has 296.25 months of service credit and is 54 years old.

Mr. Williams completed a 1404 to establish service credit for 2 months. He also had 28 unpaid sick days which equals 1.50 months of service credit.

Mr. Williams is .25 month short of meeting 25 years in the alternative formula. Mr. Williams claims his agency told him that he had sick days to "burn" so he used those, not knowing he needed them to be eligible for a pension November 1, 2014.

Mr. Williams has purchased all of his available service credit. He is asking to be allowed to retire effective November 1, 2014 under the alternative formula although he is .25 month short of having 25 years.

After some discussion, a motion was made by Chairman Iglarsh to allow Mr. Williams to retire effective November 1, 2014 under the alternative formula, seconded by Vice Chairperson Laidlaw. All were in favor.

#### Guion Guglielmi – Pension – Rule of 85 - .75 Short

Guion Guglielmi retired effective April 1, 2013. When Mr. Guglielmi retired, his pension was reduced to 74.5% because he did not meet the Rule of 85. Once his service credit posted for his paid sick and vacation days, his pension was adjusted retroactively to remove the age reduction.

While SERS was reviewing the cost of living increases for 2015, it was discovered that Mr. Guglielmi was .75 months short from meeting the Rule of 85. Due to this, his pension was changed to an effective date of May 1, 2013 and created an overpayment for the month of April, 2013 in the amount of \$3,726.64.

Mr. Guglielmi is asking to be allowed to purchase .25 month of service credit remaining from his paid sick and vacation days after the 90 day limitation in order to establish as much service credit as possible. He is asking to keep his pension with an effective date of April 1, 2013 with no overpayment, although he would still be .50 month short of meeting the Rule of 85 if allowed to purchase the .25 month service credit.

After some discussion, a motion was made by Executive Secretary Blair to allow Mr. Guglielmi to purchase the .25 month of service credit and keep his pension date effective April 1, 2013 (with no overpayment), seconded by Vice Chairperson Laidlaw. All were in favor.

#### John J. Miner – Service – RTW – Account Reinstatement Request

This account became eligible for a write-off in June, 1996. Contributions in the amount of \$22.80 widow/survivors' in the amount of \$2.85, and 1.75 months of creditable service were written off on June 25, 1996. Mr. Miner has returned to work and he has requested that his account be reinstated.

The Service & Refunds Division is requesting the Executive Committee to approve the reinstatement of this account.

After some discussion, Chairman Iglarsh motioned to approve the request for reinstatement of John Miner's account, seconded by Vice Chairperson Laidlaw. All were in favor.

#### Leonard Kolesar - Denial Survivor Benefits – Request for Re-appeal

Simeon Fleming retired effective March 3, 2005 at which time he did not have a qualified survivor. He was paid a refund of widow survivor contributions on April 22, 2005 totaling \$3,302.80. He entered into a civil union with Leonard Kolesar on June 8, 2011. Mr. Kolesar asserts that Simeon was advised that if they joined in the civil union, Mr. Kolesar would be eligible for a monthly benefit, but they were not told that the widow survivor contributions needed to be repaid. The widow survivor refund was \$3,302.80. Mr. Kolesar was sent a survivor application packet in error on October 21, 2014. When our error was discovered, he was sent a letter dated November 5, 2014 explaining the situation and denying survivor benefits.

At the December 11, 2014 Executive Committee meeting, the case was reviewed. Mr. Kolesar was asking that in order to receive monthly benefits as a survivor he be allowed to repay the widow/survivor refund from monthly benefits to be paid by the System.

After some discussion and based on the statutory language regarding the repayment of the refund, Executive Secretary Blair motioned to deny the appeal of Mr. Fleming, seconded by Vice Chairperson Laidaw. All were in favor.

At the January 8, 2015 Executive Committee meeting, the supervisor of the Pension Section stated that Mr. Kolesar is requesting that he be allowed to have a personal appeal of the previous denial of survivor benefits.

After some discussion, Executive Secretary Blair made a motion that we allow Mr. Kolesar's re-appeal of the denial of benefits for the February 2015 meeting, seconded by Chairman Iglarsh. All were in favor.

There being no further business to be brought before the Committee, the meeting was adjourned at 9:30 a.m.

The next meeting of the Executive Committee is scheduled for Thursday, February 5, 2015, in the Springfield office, with video conferencing in Chicago.

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Loren Iglarsh  
Chairman

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Lori Laidlaw  
Vice Chairperson

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Timothy Blair  
Executive Secretary